1985

ANNUAL REPORT

PUBLIC UTILITIES BOARD

OF THE NORTHWEST TERRITORIES

4000/Pub Annual Report

Northwest Territories Public Utilities Board

92-01334/

Box 697, Yellowknife
X1A 2N5 873-7495

May 26, 1986

THE HONORABLE TAGAK CURLEY
MINISTER RESPONSIBLE FOR THE PUBLIC
UTILITIES BOARD

RE: 1985 Public Utility Board Activities

I respectfully submit the activities of the Northwest Territories Public Utilities Board. The calender year ending December 31, 1985.

A review of the Public Utilities Board activities for 1985 reveals somewhat limited activities. This relative inactivity stems largely from two inter-related factors:

(1) The absence of effective regulatory control of the Northern Canada Power Commission (by the Public Utilities Board).

(2) The ongoing Federal/Territorial negotiations on the Territorial Crown takeover of the Northern Canada Power Commission.

Thus in consideration of the above factors, the Public Utilities Board request to forego issuance of a formal Annual Report in favor of the attached summary of activities.

I trust you will concur that this approach under the aforementioned circumstances is most expedient and practical.

Yours truly,

B Phillpot

for Jack Heath
Chairman

THE BOARD

The Public Utilities Board is empowered pursant to Territorial Legislation (Public Utilities Ordinance, 1974, Chapter P.17)

The Board operates as a quasi-judicial panel, deciding rates and assessing complaints in accordance with the principles of fairness and natural justice.

REGULATED UTILITIES

Presently the Board regulates two utilities.

ICG Utilities (Northwest Territories) Ltd.
Head Office : Leduc, Alberta.

Northland Utilities (N.W.T.) Ltd.
Head Office: Hay River, N.W.T.

Organization of the Board

The Board

Chairman	Jack Heath (Inuvik)
Vice-Chairman	Beulah Phillpot (Yellowknife)
Member	Archie Bevington (Fort Smith)
Member	David Fox (Frobisher Bay)
Member	Raymond Mercer (Rankin Inlet)

Board Staff

Executive Director	Dale S. Thomson
Policy/Economic Advisor	Mark M. Johnston
Regulatory Clerk	Sylvia J. Turner
Secretary/Receptionist	Lynda A. Gerhardt
Senior Legal Counsel - Energy	Jeffrey G. Gilmour, Department of Justice

Consultants

	Stephen Johnson Chartered Accountants - W.G. Stephen
	I.D. Engineering Co. Ltd. Director - Utility Regulation Lawrence F. Schmidt

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PUBLIC UTILITIES BOARD DECISIONS IN SUMMARY - 1985

DECISION 1-85 - OCTOBER 31, 1985

Northern Utilities (NWT) Limited filed with the Board an application to make changes to rates charged to its customers in the Hay River - Enterprise and Fort Providence - Kakisa - Dory Point service areas.

The application for proposed charges would effect all classes of service in the above area for the 1986 billing year. The proposed rate charges allow the revenue from each class of service to approach 100% cost of service.

The utility also proposed that the 1985 and 1986 rates for calculating the franchise tax accruing to the Town of Hay River (Rider B) be ammended to compensate for the decrease in the total franchise revenue.

ORDERED

The Board ordered approval on an interim basis, of the rate structure as submitted by Northland Utilities (NWT) Limited effective November 1, 1985. The amended (Rider B) may require changes to the Approved Franchise Agreement which was made part of Decision 2-84 of the Public Utilities Board. This is a matter of concern and will be discussed at a public hearing scheduled for sometime in the new year.

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DECISION 2-85 - NOVEMBER 7, 1985

I.C.G. Utilities (NWT) Limited application to reduce the rate charged to its customers in the Yellowknife service area.

The utility indicated that the proposed charges reflect the difference in the rate actually charged to I.C.G. Northern Utilities for power supplied by N.C.P.C.

Because the wholesale rates approved in Decision 2-85 were not charged to I.C.G., the utility overcollected revenues from its customers in the service area. To ameliorate this situation the utility has made application to amend its rate schedule, and having obtained approval of this, to further undertake to make a final determination of the overcollection and file with the Public Utilities Board a method of disposing of this contingent liability.

ORDERED

Approval of the rate structure as submitted by I.C.G. Utilities (NWT) Ltd. on an interim basis effective November 1, 1985. Final of refund methodology will be implemented after a public hearing to be held in the City of Yellowknife, scheduled for early spring.

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1985 IN SUMMARY

The relative paucity of external Board activities allowed to Board members and support staff to improve and refine their expertise in utility regulation. This fact is illustrated by the following activity synopsis:

- Board members David Fox and Archie Bevington's attendance at the First Annual Conference of Canadian Administration Tribunals held at Queens University in May.

- Chairman Jack Heath and support staff Dale Thomson and Leonard Parente attended at the Canadian Association of Members of Public Utility Tribunals Annual Meeting held in Whitehorse in September.

1985 saw a significant increase in inter-governmental activities. Liaison occured between the Board and both the Energy, Mines, Resource Secretariat (EMR) and the Legislative Division of the Department of Justice. The contact of activities with the EMR centered around the implications resultant from the Territorial takeover of N.C.P.C. With respect to the Legislation Division, the Board worked closely to ensure the resultant revisions to the Public Utilities Act contain both the depth and breadth to accommodate the changing nature of utility regulations in the North.

The Board office staff has aquired the services of Mark M. Johnston, replacing the Technical Analyst/Reasercher position. A socio-economist by training, Mr. Johnston brings with him a solid understanding of Northern people, policy and process and will contribute his expertise as both Policy and Economic Advisor to the Board.

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LOOKING AHEAD

Clearly evidenced in the foregoing is the omnipresent commitment of the Board to remain relevant and responsive to the changing energy environment in the Northwest Territories. In looking ahead to 1986 the Board intends to align itself more closely with its southern counterparts. Along these lines the Board is looking forward to the aquisition of a computer which should enhance the dissemination of information between utilities. Evidence of this is illustrated by the attendence of the Chairman, Member Ray Mercer and the Executive Director at the Canadian Association of Members of Public Utility Tribunals Regulatory Training Studies Program, which was held May 1-16, 1986 at McGill University. The energy environment in the Northwest Territories is in a dynamic process of becoming rather than being, and within this vein, the Northwest Territories Public Utilities Board is working hard to ensure that the public interest is best served.